



11 FISCAL/EQUIPMENT MANAGEMENT
11.6 WIC Project Equipment Purchase & Security

Effective: 10/01/95

Revised: 4/01/06

Changes in bold

POLICY: The Local WIC Project shall be responsible for the management of project equipment including purchase, maintenance, security, inventory, and disposal.

PROCEDURE:

A. DEFINITION OF CAPITAL EQUIPMENT AND ASSETS

1. Capital Equipment and Assets: property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit
 - a) Written *prior* approval is required for the purchase of capital equipment
 - b) Acquisition cost means the net invoice price of the property, including the cost of installation, modification, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired.
2. Sensitive Assets: property with an acquisition cost of less than \$1,000, that is subject to risk of loss, such as **computers, laptops**, video recorders, cameras, printers, portable adult scales, **multi-user electric breast pumps, modems, UPS unit (surge protectors)**, and other portable or theft-prone items. This category does not include office equipment such as desks, chairs, file cabinets, or specialized assessment equipment such as infant measuring boards, hemocues, and infant scales; these items do not require prior approval for purchase.

B. CAPITAL EQUIPMENT PURCHASE REQUEST PROCEDURE

1. All requests for Capital Equipment (including computers, other hardware, or software) costing between \$1,000 and \$5,000 must be made in writing and submitted to the DPH Regional Nutrition Consultant. **Note: Computer equipment requests will be forwarded to Central Office for approval.**
 - a) The written request should provide a cost breakdown of each item rather than in total for a system involving separate accessories or auxiliary apparatus.
 - b) The written request to purchase or lease capital equipment should contain the following information:
 - (1) Description of equipment: Provide detailed specifications for the type of equipment you are requesting; i.e., brand name, model number, dimensions, capacity, etc.



- (2) Acquisition cost. If equipment is to be shared with other programs, include the total acquisition cost and the WIC share of the cost.
 - (3) Why this acquisition is required
 - (4) Procurement method and alternatives investigated (cost benefit of purchase vs. repair, trade-ins, surplus, etc.). Attach supporting information, if applicable.
 - (5) Location where the equipment will be used
 - (6) Acquisition date and value of old equipment, for example the amount of trade-in toward the new equipment
2. **DPH Regional Nutrition Consultant will forward computer requests to the State Office IT staff for review and approval of computer equipment purchases.**
3. After reviewing the written request for all equipment between \$1,000 and \$5,000, the DPH Regional Nutritionist will submit a recommendation to the Central Office of whether to approve or deny the purchase. Central Office will select one of the following options and notify the local project accordingly:
 - a) Approval will be granted to purchase or lease the capital equipment with local agency WIC funds.
 - (1) Once the asset is received, the local agency must update their local Equipment Inventory file and notify the State WIC Office by sending an email with the following information: Project number and clinic location, short description (ex. TV, printer, adult-scale, etc.), serial number, make and model, purchase cost and purchase date.
 - (2) A WIC Identification Number (referred to as WIC ID #) will be assigned to the new equipment and added to the state equipment inventory database. The project will receive an email confirming the WIC ID # and the label will be mailed.
 - (3) The project will affix the WIC ID # immediately to the new equipment, preferably as close to the serial number as possible without covering up other important information.
 - b) The request will be denied.
4. All requests for Capital Equipment (including computers, other hardware and equipment) costing over \$5,000 must be made in writing and submitted to the



State WIC Office. Requests over \$25,000 will require additional approval from USDA.

- a) The project should prepare a written request, using the sample letter in the Attachments as a guide. All requested information must be provided and sent (either by mail or e-mail) to the **State WIC Director**.
- b) The State WIC Director, DPH Contract Administrator and the Regional Office Nutrition Consultant will review the request.
- c) Appropriate requests will be sent to USDA for further approval.
- d) If USDA approval is received, or request has been approved from previous step b), the State WIC Office will notify the local project of the approval, with a copy to the DPH Contract Administrator and Regional Office Nutrition Consultant.
- e) When the capital equipment is received, follow steps 3.a.(1)-(3) to complete the inventory process.

C. EQUIPMENT LEASING

1. A WIC project may not enter into any contract or lease agreement that commits WIC funds extending beyond the contract period with DHFS/DPH. A local agency may enter into a contract or lease agreement extending beyond the DPH contract period.
2. When WIC funds will be used to make payments for any or all of a contract or lease agreement for equipment with a total acquisition cost of \$1,000 or more per year, the "Capital Equipment Purchases Request Procedure" must be followed.

D. LOCAL PROJECT EQUIPMENT

The local project must maintain a current WIC Project Equipment Inventory record for items that cost \$1,000 or more and sensitive assets purchased with WIC funds (both State WIC purchased and purchases with Local WIC funds).

1. Every other year, the local project will receive an electronic copy of the inventory in MS EXCEL spreadsheet of the assets the State WIC Office has assigned to the project. The local project will conduct a physical inventory and submit the revised inventory **to the State WIC Office per instructions provided**.
2. Equipment must be maintained on the inventory for a period of ten (10) years. It should then be removed from the inventory form by indicating the disposition date on the Inventory spreadsheet.



3. Changes will be recorded in the State Inventory database. A copy of the projects' equipment inventory can be requested from the State Office at any time.

E. SECURITY OF WIC PROJECT EQUIPMENT

1. The local project should designate an individual as Equipment Security Officer to ensure the security of all WIC equipment and sensitive assets. County agencies should refer to the provisions in their County Security Officer Manual.
2. The local project is responsible to provide adequate extended property insurance coverage for all equipment purchased with WIC funds, except capital equipment purchased by the State WIC Office.
3. The local project will maintain security measures to safeguard all WIC equipment. These security measures should include, but are not limited to, the following:
 - a) All capital equipment and sensitive assets should be properly recorded on the inventory with serial number, **WIC ID #, make and model**, purchase order numbers, dates of purchase, and other pertinent information.
 - b) Portable equipment should be under the supervision of responsible staff. Equipment should not be left unattended (especially in public areas or where access by unauthorized individuals is possible). When unable to supervise equipment, it should be kept in a locked facility (storage room, storage cabinet, etc.).
 - c) If equipment is portable and used by multiple staff, the project should maintain a log of users, and dates taken and returned.
 - d) Office and computer equipment should not be used in areas where food is served or prepared. Keep food and drink away from the computer equipment.
 - e) Warrantee terms, operation, care and use instructions, and service schedules should be maintained uniformly throughout the WIC Project (whether maintained centrally or with each piece of equipment).
 - f) The use of diskettes on WIC computer equipment is strongly discouraged; Computer viruses on diskettes from un-scanned sources are a major cause of computer hard drive failures.
4. When equipment is damaged, lost, or stolen or otherwise rendered unusable, it is the local agency's responsibility to replace the equipment or compensate the State for the loss of the equipment. This includes **multi user electric breast pumps** purchased by the State WIC Office.



5. When capital equipment purchased by the State WIC Office and in the care of the local agency is damaged, lost, or stolen or otherwise rendered unusable, local agency staff should contact the State WIC Office. The State Office will determine whether or not to pursue a claim with State Risk Management and will initiate the claim if appropriate.

F. MAINTENANCE OF WIC PROJECT EQUIPMENT

1. The State WIC Office will maintain a service and/or repair warranty through the manufacturer or an outside vendor, for a period of three (3) years from the date of purchase, on most hardware (printers and computers) supplied to the project.
2. The State WIC Office will assure the necessary software is loaded on new computers purchased, or on equipment after it has received repairs and the software needs to be re-installed.
3. The local agency is responsible for the repair and maintenance of any equipment purchased by the project (i.e., equipment not purchased by the State WIC Office).
4. After the service and/or repair warranty through the manufacturer or an outside vendor provided by the State WIC Office expires, the local agency is responsible for the cost of repair/maintenance of the equipment.
5. If the local agency suspects a hardware repair issue for State-purchased equipment, the project will contact the ADP contractor. If determined by the contractor to be a hardware problem, the State WIC office will be notified.
6. The State WIC Office will provide a contact for an “authorized service center” for repairs for out-of-warranty equipment or project-purchased equipment.

G. DEPRECIATION OF WIC EQUIPMENT

1. Equipment and other capital expenditures with an acquisition cost of \$5,000 or less may be expensed at the time of purchase. The cost of equipment and other capital expenditures with an acquisition cost exceeding \$5,000 is to be recovered through depreciation or use allowances.
2. If the acquisition cost is \$5,000 or more, indicate the amount of depreciation for the year.
3. An agency may request a waiver of the depreciation method at the same time purchase approval is requested from USDA/Food and Nutrition Services and the Wisconsin DHFS, via the State WIC Office. If approved, the costs would be expensed in the year of acquisition.



H. USE OF EQUIPMENT PURCHASED WITH WIC FUNDS

1. Equipment purchased with WIC funds should be used by the WIC Program/local project for as long as needed based on its functional lifecycle.
2. Equipment purchased for use by multiple programs must have shared funding based on an equitable split between the programs. When no longer needed in WIC, the equipment may be used in other programs currently or previously funded by federal funds.
3. **When a WIC project or clinic site ceases operations, the equipment will be reallocated to the new project or another clinic site as needed. The reallocation will be determined by the State WIC Office.**
4. Equipment purchased with WIC funds may not be used to provide services for a fee to compete unfairly with private companies that provide equivalent services. (7 CFR Part 3016.32(c))

I. DISPOSAL OF EQUIPMENT PURCHASED WITH WIC FUNDS

1. Equipment becomes surplus when one of the following applies. The equipment is:
 - a) no longer needed for the purpose originally intended,
 - b) no longer in active use by the project,
 - c) technically or mechanically obsolete,
 - d) no longer functioning,
 - or e) not economical to keep.The equipment may be disposed of using one of the methods listed in I.2.
2. Equipment purchased with State or Local WIC funds is deemed surplus by the project, the project should attempt to reallocate the equipment by one of the methods listed below (in order of preference):
 - a) Contact the State WIC Office to determine if reallocation of equipment to another WIC Project in the State is an available option
 - b) Transfer or sale of equipment to another WIC Project
 - c) Transfer or sale of equipment to another federally funded program within their own agency
 - d) Sale or transfer to a federally funded program in another agency or another tax-supported agency, including schools
 - e) Sale to the public through negotiated sale, auction, fixed price or sealed bid
 - f) Sale or trade in for replacement equipment



- g) Destruction of equipment to meet security requirements or to eliminate a health hazard
 - h) Disposal in a landfill, except for major appliances. The equipment may also be taken to a recycling facility for disposal.
- 3. The agency should follow equipment disposal procedures with the following restrictions in mind.
 - a) Equipment purchased by the State WIC Office for local agency use with a current per-unit fair market value equal to or greater than \$1,500, must be disposed of using formal State procedures. Notify the State WIC Office.
 - b) Equipment purchased by the local agency with WIC funds, with a fair market value of less than \$5,000 may be retained, sold or otherwise disposed of through the agency using the methods listed in I.2. **and with no further obligation to the federal awarding agency (USDA).**
 - c) Equipment with a fair market value of \$5,000 or more may be retained or sold, and the awarding federal agency shall have a right to its share of the sale proceeds. **Notify the State WIC Office.**
- 4. Prohibited Methods of Disposal
 - a) Donation to private individuals, for-profit organizations, local project staff or state employees
 - b) Sales to local project staff, state employees or private individuals are prohibited unless items are sold at announced, public sales or auctions.

ATTACHMENTS

Sample Letter to Request Equipment Costing \$5,000 or more (not revised)